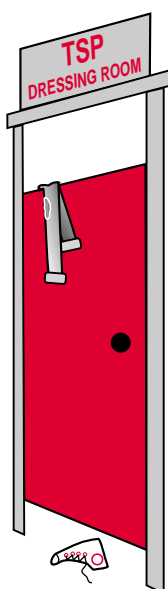


How the TSP Is Changing

Now	October 2000
In General	
The TSP is a monthly valued plan. Transactions are processed once a month.	The TSP will be a daily valued plan. Transactions will be processed each business day.
Account balances and transactions are processed and shown in dollar amounts.	Account balances and transactions will be processed and shown in dollar amounts, shares, and share prices.
The TSP has three investment funds: the Government Securities Investment (G) Fund, the Fixed Income Index Investment (F) Fund, and the Common Stock Index Investment (C) Fund.	The TSP will have five investment funds: In addition to the G, F, and C Funds, there will be the Small Capitalization Stock Index Investment (S) Fund and the International Stock Index Investment (I) Fund.
Allocations of future payroll contributions are processed through agency personnel offices during a TSP open season.	You will be able to allocate future contributions at any time by using the ThriftLine or the TSP Web site, or by submitting Form TSP-50 directly to the TSP record keeper.
Married FERS participants must obtain their spouses' waiver or consent for all withdrawal requests except the prescribed TSP annuity.	For any withdrawal requiring a spouse's waiver or consent, a FERS participant must have his or her spouse's signature notarized.
TSP open season dates are November 15 – January 31 and May 15 – July 31.	TSP open season dates will be October 15 – December 31 and April 15 – June 30.
The TSP issues participant statements twice a year, for the periods ending April 30 and October 31.	The TSP will issue quarterly statements for the periods ending March 31, June 30, September 30, and December 31. (The first new statement will cover September 1, 2000 – December 31, 2000.)
The TSP Service Office hours are Monday through Friday, 7:45 a.m. to 4:15 p.m., central time.	The TSP Service Office hours will be Monday through Friday, 7:00 a.m. to 4:30 p.m., central time.
Loans and Withdrawals	
If you have a loan, you receive quarterly Loan Statements.	Loan information will be on your Participant Statements.
You can reamortize your loan only once.	You can reamortize your loan more than once.
You can repay a TSP loan at any time, but only in full.	You can repay all or part of a TSP loan at any time.
Only monthly withdrawal payments can be electronically deposited to your checking or savings account.	All of your loan or withdrawal payments (except transfers) can be electronically deposited into your checking or savings account.
Financial hardship in-service withdrawals are subject to mandatory 20% Federal income tax withholding. You can transfer a financial hardship in-service withdrawal to an IRA or other eligible retirement plan.	Financial hardship in-service withdrawals will no longer be subject to mandatory withholding. You <i>cannot</i> transfer a financial hardship in-service withdrawal to an IRA or other eligible retirement plan.
After you leave Federal service, if you request a withdrawal, it must be for your entire TSP account balance.	After you leave Federal service, you may also be able to make a one-time partial withdrawal (if you had not taken an age-based in-service withdrawal).
You can make a post-employment withdrawal as either a single payment, monthly payments, or a life annuity. The withdrawal payment(s) may begin at a specified future date.	You can use any combination of these same options to make a post-employment full withdrawal. Your payment(s) will begin as soon as you make the full withdrawal.
After you leave Federal service, you will receive an automatic cashout if your account balance is \$3,500 or less, unless you choose another withdrawal option.	After you leave Federal service, you will receive an automatic cashout if your account balance is less than \$200. Other withdrawal options will not be available.
Web Site and ThriftLine	
The TSP Web site and ThriftLine provide general Plan information, and allow participants to make an interfund transfer, change (or request) a PIN, check the status of a loan or withdrawal request, and determine their current account balance and the amount available for a loan. On the Web site, you can also download TSP forms and materials and use interactive calculators to project a future account balance or estimate annuity payments.	On the TSP Web site and the ThriftLine, you will also be able to allocate future contributions, check the status of an outstanding loan, obtain a loan prepayment amount, and begin (and in some cases, complete) a loan request. On the Web site, you can also begin (and in some cases, complete) a withdrawal request, check (and if you are separated from service, update) your name and address, and reamortize a loan. On the ThriftLine, you will be able to request that certain TSP materials be mailed or faxed to you.
If you need assistance while using the ThriftLine, you must call the TSP Service Office at a different number.	You will be able to opt out of the automated ThriftLine at any time to speak to a customer service representative during normal business hours.

How the TSP Is Changing

Effective October 1, 2000, the TSP will have a new record keeping system! And with the new system come many great new features for you! Read the chart on the other side of this page for a summary of all of the changes you can expect on October 1, 2000. More details about these changes will appear in a new *Summary of the Thrift Savings Plan for Federal Employees* — coming to an agency near you in late summer.



We will convert to the new system during September 2000, when the TSP will close out the old system and transfer all TSP account records to the new one. This means we must have deadlines for transactions under the old system.

If you want a loan or withdrawal before conversion, the TSP must receive your request on or before August 15, 2000. Loan applications received after August 15 will be held, and their processing will resume under the new system on October 1, 2000. Withdrawal applications received after August 15, however, will not be held, and you will have to reapply for a withdrawal under the new system procedures. Processing of withdrawals will also resume under the new system on October 1, 2000.

Likewise, if you want to make an interfund transfer or obtain a new PIN before conversion, you must do so on or before August 15, 2000. Paper interfund transfer and PIN requests received after August 15 will be held, and their processing will resume under the new system on October 1, 2000. The TSP Web site and the ThriftLine will also again be available for making interfund transfers or obtaining a new PIN on October 1, 2000.



Additional detailed information will be available in late summer in the booklets *TSP Loan Program*, *TSP In-Service Withdrawals*, *Withdrawing Your Account After Leaving Federal Service*, *Guide to TSP Investments*, and the fact sheet, "Using the TSP Web Site and the ThriftLine."



Federal Retirement Thrift Investment Board
Web site: www.tsp.gov ☎ ThriftLine: (504) 255-8777